

Health Savings Accounts (HSAs)

Statistically, the majority of Americans spend less than \$500 per year on health care. This means that most people have extra funds available for investing in the future, and a health savings account (HSA) is a simple way to simultaneously put money toward health care and grow your money for future use. Opening an HSA allows you to place money into an account specifically to cover qualified medical expenses.

You can contribute to an HSA directly from your paycheck, or you can contribute after-tax contributions on your own. The money that you do not use remains in the account to grow, making it a beneficial financial planning tool.

AM I ELIGIBLE TO OPEN AN HSA?

To qualify for an HSA, you must meet the following requirements:

- You must be covered under a high deductible health plan (HDHP)
- In general, you must have no other health coverage
- You must not be enrolled in Medicare
- You must not be claimed as a dependent on someone else's tax return for the previous year

WHAT EXPENSES ARE ELIGIBLE FOR REIMBURSEMENT WITH AN HSA?

HSA dollars may be used for qualified medical expenses incurred by the account holder and his or her dependents. According to the IRS, "an expense has to be primarily for the prevention and alleviation of a physical or mental defect or illness." In addition, COBRA premiums, health insurance premiums in conjunction with unemployment benefits, qualified long-term care premiums and health insurance premiums paid by those over age 65 (other than for a Medicare supplemental policy) may be paid with HSA dollars.

CONTRIBUTION LIMITS (2022)

Self-Only	\$3,650
Family	\$7,300
Catch-Up (55 & Older)	\$1,000

ANNUAL DEDUCTIBLE LIMITS (2022)

Minimum:	
Self-Only	\$1,400
Family	\$2,800
.....	
Maximum:	
Self-Only	\$7,050
Family	\$14,100



CAN HSA DOLLARS BE USED FOR NON-ELIGIBLE EXPENSES?

Money withdrawn from an HSA to reimburse non-eligible medical expenses is considered taxable income.

WHAT HAPPENS TO HSA DOLLARS AT THE END OF THE YEAR?

The money remains in the account, continues to earn interest and can be used at any time in the future to pay for health care costs.

WHAT IF I CHANGE JOBS?

An HSA is “portable” so it stays with you if you change employers or leave the workforce.

This article was written by Advicent Solutions, an entity unrelated to Monona Bank. The information contained in this article is not intended to be tax, investment, or legal advice, and it may not be relied on for the purpose of avoiding any tax penalties. Monona Bank does not provide tax or legal advice. You are encouraged to consult with your tax advisor or attorney regarding specific tax issues.

©2017 Advicent Solutions. All rights reserved.



Monona Bank™

VISIT mononabank.com TO LEARN MORE, OR TO FIND A LOCATION NEAR YOU.

BELLEVILLE | BROOKLYN | COTTAGE GROVE | CROSS PLAINS | MADISON | MIDDLETON | MONONA | SAUK PRAIRIE



Member FDIC | 5515 Monona Drive, Monona, WI 53716 • (608) 223-3000